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CITY OF SCOTT, LOUISIANA

Financial Report

Year Ended June 30, 2009

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Release Date 11/4/09

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INDEPENDENT AUDITORS' REPORT

The Honorable Hazel Myers, Mayor,
and Members of the Board of Aldermen
City of Scott, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2009, on our consideration of the City of Scott, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 39 through 42 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year comparative information on the required supplementary information has been derived from the City of Scott's 2008 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The City of Scott has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Scott, Louisiana's basic financial statements. The other supplementary information on pages 44 through 73 is presented for purposes of additional analysis and is not a required part of the basic financial statements. All of the supplementary information, except for the schedule of number of utility customers and the schedule of insurance in force, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole. The schedule of number of utility customers and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them. The prior year comparative information on the other supplementary information has been derived from the City of Scott's 2008 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the schedule of number of utility customers which was not subjected to the auditing procedures and on which we expressed no opinion.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 25, 2009

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY OF SCOTT, LOUISIANA

Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 3,777,560	\$ 2,608,603	\$ 6,386,163
Investments	4,244,743	54,132	4,298,875
Receivables, net	263,753	292,135	555,888
Internal balances	(492,440)	492,440	-
Due from other governmental units	64,301	-	64,301
Prepaid items	81,180	29,224	110,404
Total current assets	<u>7,939,097</u>	<u>3,476,534</u>	<u>11,415,631</u>
Noncurrent assets:			
Restricted assets:			
Interest-bearing deposits	-	34,033	34,033
Investments	-	132,653	132,653
Capital assets, net	<u>9,443,045</u>	<u>7,384,809</u>	<u>16,827,854</u>
Total noncurrent assets	<u>9,443,045</u>	<u>7,551,495</u>	<u>16,994,540</u>
Total assets	<u>17,382,142</u>	<u>11,028,029</u>	<u>28,410,171</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	173,919	119,638	293,557
Deferred revenue	<u>122,809</u>	<u>50,490</u>	<u>173,299</u>
Total current liabilities	296,728	170,128	466,856
Noncurrent liabilities:			
Customers' deposits payable	<u>-</u>	<u>166,686</u>	<u>166,686</u>
Total liabilities	<u>296,728</u>	<u>336,814</u>	<u>633,542</u>
NET ASSETS			
Invested in capital assets	9,443,045	7,384,809	16,827,854
Unrestricted	<u>7,642,369</u>	<u>3,306,406</u>	<u>10,948,775</u>
Total net assets	<u>\$17,085,414</u>	<u>\$10,691,215</u>	<u>\$27,776,629</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2009

	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 630,575	\$ 229,376	\$ 42,261	\$ -	\$ (358,938)	\$ -	\$ (358,938)
Public safety:							
Police	1,597,361	245,507	55,875	46,255	(1,249,724)	-	(1,249,724)
Auxiliary Police	10,394	-	-	-	(10,394)	-	(10,394)
Fire	167,562	-	-	-	(167,562)	-	(167,562)
Streets	1,235,800	-	210,837	64,493	(960,470)	-	(960,470)
Culture and tourism	64,773	-	12,655	-	(52,118)	-	(52,118)
Total governmental activities	3,706,465	474,883	321,628	110,748	(2,799,206)	-	(2,799,206)
Business-type activities:							
Gas	395,826	527,424	-	-	-	131,598	131,598
Water	840,618	900,195	-	-	-	59,577	59,577
Sewer	536,298	362,807	-	-	-	(173,491)	(173,491)
Garbage	569,279	587,788	-	-	-	18,509	18,509
Total business-type activities	2,342,021	2,378,214	-	-	-	36,193	36,193
Total	\$ 6,048,486	\$ 2,853,097	\$ 321,628	\$ 110,748	\$ (2,799,206)	\$ 36,193	\$ (2,763,013)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					\$ 183,650	\$ -	\$ 183,650
Sales and use taxes, levied for general purposes					3,297,791	-	3,297,791
Franchise taxes					456,487	-	456,487
Grants and contributions not restricted to specific programs -							
State sources					15,279	-	15,279
Interest and investment earnings					253,729	38,770	292,499
Sale of fixed assets					-	3,675	3,675
Transfers					(314,348)	314,348	-
Total general revenues and transfers					3,892,588	356,793	4,249,381
Change in net assets					1,093,382	392,986	1,486,368
Net assets - July 1, 2008					15,992,032	10,298,229	26,290,261
Net assets - June 30, 2009					\$ 17,085,414	\$ 10,691,215	\$ 27,776,629

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1968 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

1984 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes.

Taxing Increment Financing (TIF) District Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax levied on the businesses located in the Apollo Road Economic Development District, State of Louisiana (the "District"). These taxes are dedicated and used for the purpose of financing economic development projects in the District.

Capital Projects Fund

Sewer System Construction Fund -

To account for improvements made to the City's sewerage system using proceeds from various federal and state grants and City funds. There was no construction activity in the fund during the fiscal year ended June 30, 2009.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, sewerage, and garbage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF SCOTT, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2009

	TIF						Total
	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	District Sales Tax Special Revenue	Sewer System Construction	Other Governmental Funds	
ASSETS							
Cash	\$ 950,121	\$ 10,095	\$ 7,050	\$ -	\$ -	\$ -	\$ 967,266
Interest-bearing deposits	132,424	827,905	1,448,103	372,761	10,833	18,268	2,810,294
Investments	475,533	2,661,917	1,107,293	-	-	-	4,244,743
Receivables:							
Taxes	2,165	116,377	116,377	21,011	-	-	255,930
Accrued interest	121	55	7,124	38	-	-	7,338
Due from other funds	20,072	11,200	84,677	-	-	-	115,949
Due from other governmental units	64,301	-	-	-	-	-	64,301
Other	485	-	-	-	-	-	485
Prepaid items	81,180	-	-	-	-	-	81,180
Total assets	<u>\$ 1,726,402</u>	<u>\$ 3,627,549</u>	<u>\$ 2,770,624</u>	<u>\$ 393,810</u>	<u>\$ 10,833</u>	<u>\$ 18,268</u>	<u>\$ 8,547,486</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 105,627	\$ 53,160	\$ 13,185	\$ -	\$ -	\$ -	\$ 171,972
Accrued liabilities	681	575	591	100	-	-	1,947
Due to other funds	387,569	82,527	131,256	-	7,037	-	608,389
Deferred revenue	122,809	-	-	-	-	-	122,809
Total liabilities	<u>616,686</u>	<u>136,262</u>	<u>145,032</u>	<u>100</u>	<u>7,037</u>	<u>-</u>	<u>905,117</u>
Fund balances -							
Reserved for prepaid items	81,180	-	-	-	-	-	81,180
Unreserved, designated for street improvements	-	-	-	-	-	5,902	5,902
Unreserved, designated for capital expenditures	-	-	-	-	3,796	-	3,796
Unreserved, undesignated	1,028,536	3,491,287	2,625,592	393,710	-	12,366	7,551,491
Total fund balances	<u>1,109,716</u>	<u>3,491,287</u>	<u>2,625,592</u>	<u>393,710</u>	<u>3,796</u>	<u>18,268</u>	<u>7,642,369</u>
Total liabilities and fund balances	<u>\$ 1,726,402</u>	<u>\$ 3,627,549</u>	<u>\$ 2,770,624</u>	<u>\$ 393,810</u>	<u>\$ 10,833</u>	<u>\$ 18,268</u>	<u>\$ 8,547,486</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2009

Total fund balances for governmental funds at June 30, 2009 \$ 7,642,369

Total net assets reported for governmental activities in the statement of net
assets is different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 311,696	
Buildings and improvements, net of \$511,055 accumulated depreciation	1,289,570	
Infrastructure, net of 8,560,712 accumulated depreciation	6,848,028	
Equipment, furniture, and fixtures net of \$1,666,533 accumulated depreciation	<u>993,751</u>	<u>9,443,045</u>

Total net assets of governmental activities at June 30, 2009 \$17,085,414

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds

For the Year Ended June 30, 2009

	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	TIF District Sales Tax Special Revenue	Sewer System Construction	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 640,137	\$ 1,518,715	\$ 1,518,715	\$260,361	\$ -	\$ -	\$3,937,928
Licenses and permits	229,376	-	-	-	-	-	229,376
Intergovernmental	371,768	64,493	-	-	-	-	436,261
Fines and forfeits	245,507	-	-	-	-	-	245,507
Miscellaneous	166,510	48,797	48,610	1,072	85	49	265,123
Total revenues	1,653,298	1,632,005	1,567,325	261,433	85	49	5,114,195
Expenditures:							
Current -							
General government	538,026	15,948	15,368	1,150	-	-	570,492
Public safety:							
Police	1,415,656	-	-	-	-	-	1,415,656
Fire	-	-	166,935	-	-	-	166,935
Streets	453,572	129,188	82,006	-	-	-	664,766
Culture and tourism	60,081	-	-	-	-	-	60,081
Capital outlay	506,092	1,038,179	-	-	-	-	1,544,271
Total expenditures	2,973,427	1,183,315	264,309	1,150	-	-	4,422,201
Excess (deficiency) of revenues over expenditures	(1,320,129)	448,690	1,303,016	260,283	85	49	691,994
Other financing sources (uses):							
Transfers in	1,325,000	-	-	-	-	-	1,325,000
Transfers out	-	(514,348)	(1,125,000)	-	-	-	(1,639,348)
Total other financing sources (uses)	1,325,000	(514,348)	(1,125,000)	-	-	-	(314,348)
Net changes in fund balances	4,871	(65,658)	178,016	260,283	85	49	377,646
Fund balances beginning	1,104,845	3,556,945	2,447,576	133,427	3,711	18,219	7,264,723
Fund balances, ending	\$1,109,716	\$ 3,491,287	\$2,625,592	\$393,710	\$ 3,796	\$18,268	\$7,642,369

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2009

Total net changes in fund balances at June 30, 2009 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 377,646
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The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,333,429	
Depreciation expense for the year ended June 30, 2009	<u>(617,693)</u>	<u>715,736</u>

Total changes in net assets at June 30, 2009 per Statement of Activities	<u>\$ 1,093,382</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Net Assets
Proprietary Fund
June 30, 2009

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,608,603
Investments	54,132
Receivables:	
Accounts	208,088
Unbilled utility receivables	83,309
Accrued interest receivable	738
Due from other funds	492,440
Prepaid items	<u>29,224</u>
Total current assets	<u>3,476,534</u>
Noncurrent assets:	
Restricted assets -	
Interest-bearing deposits	34,033
Investments	132,653
Capital assets, net of accumulated depreciation	<u>7,384,809</u>
Total noncurrent assets	<u>7,551,495</u>
Total assets	<u>11,028,029</u>
LIABILITIES	
Current liabilities:	
Accounts payable	118,904
Accrued liabilities	734
Deferred revenue	<u>50,490</u>
Total current liabilities	170,128
Noncurrent liabilities:	
Customers' deposits payable	<u>166,686</u>
Total liabilities	<u>336,814</u>
NET ASSETS	
Invested in capital assets, net of related debt	7,384,809
Unrestricted	<u>3,306,406</u>
Total net assets	<u>\$10,691,215</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Change in Fund Net Assets -
Proprietary Fund
For the Year Ended June 30, 2009

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 515,811
Water service charges	865,357
Sewer service charges	351,194
Garbage service charges	587,788
Penalties, permits and connection fees	58,064
Total operating revenues	<u>2,378,214</u>
Operating expenses:	
Salaries	372,872
Retirement	22,982
Meter reader expense	33,756
Disposal charges	2,354
Sewerage inspection	3,275
Gas and water purchases	638,420
Garbage collection fees	569,279
Supplies and repairs	125,850
Repairs and maintenance	27,968
Utilities and telephone	44,264
Professional fees	15,144
General insurance	57,271
Group health insurance	36,668
Office expense	13,494
Computer service	3,652
Payroll taxes	29,323
Truck expenses	15,114
Training	702
Uniforms	2,591
Equipment lease	11,457
Bad debts	11,825
Depreciation expense	294,449
Water and lab fees	5,405
Miscellaneous	3,906
Total operating expenses	<u>2,342,021</u>
Operating income	<u>36,193</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2009

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Interest income	38,770
Gain on sale of assets	<u>3,675</u>
Total nonoperating revenues (expenses)	<u>42,445</u>
 Income before transfers	 <u>78,638</u>
Transfers in (out):	
Transfer from 1984 Sales Tax Fund	500,000
Transfer from 1968 Sales Tax Fund	314,348
Transfer to General Fund	<u>(500,000)</u>
Total transfers in (out)	<u>314,348</u>
 Change in net assets	 392,986
 Net assets, beginning	 <u>10,298,229</u>
 Net assets, ending	 <u>\$10,691,215</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2009

	Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$ 2,368,201
Payments to suppliers	(1,579,818)
Payments to employees	(458,933)
Net cash provided by operating activities	<u>329,450</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(142,973)
Transfers from other funds	814,348
Transfers to other funds	(500,000)
Net cash provided by noncapital financing activities	<u>171,375</u>
Cash flows from capital and related financing activities:	
Proceeds from meter deposits	32,607
Refund of meter deposits	(29,743)
Acquisition of property, plant and equipment	(145,767)
Net cash used by capital and related financing activities	<u>(134,903)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	1,815,839
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(1,861,392)
Interest on investments	45,804
Net cash provided by investing activities	<u>251</u>
Net increase in cash and cash equivalents	366,173
Cash and cash equivalents, beginning of period	<u>601,856</u>
Cash and cash equivalents, end of period	<u>\$ 968,029</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2009

	<u>Enterprise Fund</u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 36,193
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation	294,449
Changes in current assets and liabilities:	
Decrease in accounts receivable	11,822
Increase in provision for uncollectible accounts	291
Increase in unbilled utility receivables	(16,997)
Decrease in other receivables	3,067
Increase in prepaid items	(9,249)
Increase in accounts payable	5,428
Decrease in accrued liabilities	(683)
Increase in deferred revenue	5,129
Net cash provided by operating activities	<u>\$ 329,450</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Interest-bearing deposits - unrestricted	2,202,691
Interest-bearing deposits - restricted	30,486
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,631,321)</u>
Total cash and cash equivalents, beginning of period	<u>601,856</u>
Cash and cash equivalents, end of period -	
Interest-bearing deposits - unrestricted	2,608,603
Interest-bearing deposits - restricted	34,033
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,674,607)</u>
Total cash and cash equivalents, end of period	<u>968,029</u>
Net increase	<u>\$ 366,173</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Scott (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Scott was incorporated under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the City executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, a certain governmental organization is not part of the City and is thus excluded from the accompanying financial statements. This organization is the City of Scott Volunteer Fire Department. Although the City does provide facilities and some of its financing, no control is exercised over its operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

1968 Sales Tax Fund -

The 1968 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1984 Sales Tax Fund -

The 1984 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The Taxing Increment Financing (TIF) District Sales Tax Fund –

The TIF Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax levied on the businesses located in the Apollo Road Economic Development District and is legally restricted to expenditures for economic development projects in the District.

Capita Projects Fund –

Sewer System Construction Fund –

The Sewer System Construction Fund is used to account for improvements made to the City's Sewerage System using proceeds from federal and state grants and City Funds.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Scott's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City.

Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$7,101 at June 30, 2009. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. All full-time employees are allowed 48 hours of annual sick leave. All unused sick leave may be carried over, with 30 percent of the accumulated balance payable at termination of employment. At June 30, 2009, the City has no material accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Sales tax	See Note 3
Gas, water and sewer revenue	Utility operations

The City uses unrestricted resources only when restricted resources are fully depleted.

G. Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the City of Scott to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At June 30, 2009, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Lafayette Parish. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 2009, taxes of 3.36 mills were levied on property with assessed valuations totaling \$54,748,351 and were dedicated to general corporate purposes.

Total taxes levied were \$183,954. Taxes receivable at June 30, 2009 was \$2,165, which was current.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City of Scott beginning June 22, 1968 (2009 collections \$1,518,715; 2008 \$1,440,354) are dedicated to the following purposes:

Construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefor, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

Proceeds of a 1% sales and use tax levied by the City of Scott beginning April 1, 1984 (2009 collections \$1,518,715; 2008 \$1,440,354) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes. The 1984 sales and use tax is currently dedicated to retiring the Series 1994 and Series 1997 Public Improvement Sales Tax Bonds.

Proceeds of a 1% sales and use tax levied by the City of Scott beginning December 1, 2007 on businesses located in the Apollo Road Economic Development District (2009 collections \$260,361; 2008 \$134,028) are dedicated for financing economic development projects in the District.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2009, the City had cash and interest-bearing deposits (book balances) totaling \$6,420,196 as follows:

Demand deposits	\$ 1,633,386
Money market accounts	1,396,544
Time deposits	<u>3,390,266</u>
Total	<u>\$ 6,420,196</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2009, are secured as follows:

Bank balances	<u>\$6,484,487</u>
Federal deposit insurance	\$1,043,342
Pledged securities	<u>5,441,145</u>
Total	<u>\$6,484,487</u>

Pledged securities in the amount of \$5,441,145 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

B. Investments

Investments held at June 30, 2009 consist of \$4,431,528 in the Louisiana Asset Management Pool (LAMP). In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the City's position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

(5) Receivables

Receivables at June 30, 2009 of \$555,888 consist of the following:

	General	1968 Sales Tax	1984 Sales Tax	TIF District Sales Tax	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$208,088	\$208,088
Unbilled utility	-	-	-	-	83,309	83,309
Taxes:						
Ad valorem	2,165	-	-	-	-	2,165
Sales tax	-	116,377	116,377	21,011	-	253,765
Licenses	485	-	-	-	-	485
Interest	121	55	7,124	38	738	8,076
Totals	<u>\$ 2,771</u>	<u>\$ 116,432</u>	<u>\$123,501</u>	<u>\$21,049</u>	<u>\$292,135</u>	<u>\$555,888</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units in the amount of \$64,301 at June 30, 2009 consisted of the following:

Governmental Activities - General Fund:

Amount due from the Federal Emergency Management Assistance (FEMA) for reimbursement of expenditures incurred through June 30, 2009 for debris removal	\$ 59,571
Amount due from the State of Louisiana Department of Transportation for grass cutting revenues earned during fiscal year ending June 30, 2008	<u>4,730</u>
Total governmental activities	<u>\$ 64,301</u>

(7) Restricted Assets - Proprietary Fund Type

Restricted assets in the amount of \$166,686 at June 30, 2009 consisted of amounts owed to customers for utility deposits.

(8) Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Balance 07/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/09</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 311,696	\$ -	\$ -	\$ 311,696
Other capital assets:				
Buildings	1,800,625	-	-	1,800,625
Infrastructure	14,421,548	987,192	-	15,408,740
Equipment, furniture and fixtures	<u>2,336,661</u>	<u>346,237</u>	<u>22,614</u>	<u>2,660,284</u>
Totals	<u>18,870,530</u>	<u>1,333,429</u>	<u>22,614</u>	<u>20,181,345</u>
Less accumulated depreciation				
Buildings	461,776	49,279	-	511,055
Infrastructure	8,260,245	300,467	-	8,560,712
Equipment, furniture and fixtures	<u>1,421,200</u>	<u>267,947</u>	<u>22,614</u>	<u>1,666,533</u>
Total accumulated depreciation	<u>10,143,221</u>	<u>617,693</u>	<u>22,614</u>	<u>10,738,300</u>
Governmental activities, capital assets, net	<u>\$8,727,309</u>	<u>\$ 715,736</u>	<u>\$ -</u>	<u>\$9,443,045</u>

(continued)

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets (Continued)

	Balance 07/01/08	Additions	Deletions	Balance 06/30/09
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 50,420	\$ -	\$ -	\$ 50,420
Construction in progress - sewer system	71,428	86,291	-	157,719
Other capital assets:				
Gas system	995,310	-	-	995,310
Water system	4,516,020	-	-	4,516,020
Sewer system	6,599,259	-	-	6,599,259
Machinery and equipment	248,167	36,058	9,980	274,245
Totals	12,480,604	122,349	9,980	12,592,973
Less accumulated depreciation				
Gas system	673,078	23,867	-	696,945
Water system	1,543,233	90,528	-	1,633,761
Sewer system	2,507,967	152,116	-	2,660,083
Machinery and equipment	195,092	27,938	5,655	217,375
Total accumulated depreciation	4,919,370	294,449	5,655	5,208,164
Business-type activities, capital assets, net	<u>\$7,561,234</u>	<u>\$(172,100)</u>	<u>\$ 4,325</u>	<u>\$7,384,809</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 60,083
Police	181,705
Auxiliary police	10,394
Fire	627
Streets	360,192
Culture and recreation	4,692
Total depreciation expense	<u>\$ 617,693</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 31,520
Water	100,233
Sewer	162,696
Total depreciation expense	<u>294,449</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Accounts, Salaries, and Other Payables

The accounts and other payables of \$293,557 consisted of the following at June 30, 2009:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 171,972	\$118,904	\$290,876
Accrued liabilities	1,947	734	2,681
Totals	<u>\$ 173,919</u>	<u>\$119,638</u>	<u>\$293,557</u>

(10) Deferred Revenue

Governmental activities - General Fund:

Amount received from the Lafayette Convention and Visitors Commission for the Begnaud House which had not yet been incurred as of June 30, 2009 \$ 3,926

Amount received from the Louisiana Department of the Treasury for architect fees relative to the Law Enforcement Complex which had not yet been incurred as of June 30, 2009 95,000

Amount received from unsettled police narcotic cases as of June 30, 2009 23,883

Total governmental activities 122,809

Business-type activities - Utility Fund:

Amount received in June 2009 for garbage service revenues for July 2009 50,490

Total deferred revenue \$173,299

(11) Employee Retirement

All employees are members of one of the following retirement systems:

Federal Social Security System

Municipal Employees' Retirement System of Louisiana

Municipal Police Employees' Retirement System of Louisiana

Pertinent information relative to each plan follows:

A. Federal Social Security System

All employees of the City of Scott are members of the Federal Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City; 7.65% by the employee). Total covered wages for the years ended June 30, 2009, 2008 and 2007, totaled \$1,772,360, \$1,585,990, and \$1,337,440 respectively. The City's contribution during the years ended June 30, 2009, 2008, and 2007 amounted to \$135,586, \$121,328, and \$102,314 respectively.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Municipal Employees' Retirement System of Louisiana System

Eligible employees of the City participate in the Municipal Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy - Under Plan B, members are required by state to contribute 5.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 6.75%. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System under Plan B for the years ending June 30, 2009, 2008, and 2007 were \$50,684, \$46,676, and \$57,708 respectively, equal to the required contributions for each year.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

C. Municipal Police Employees' Retirement System of Louisiana (System)

Eligible employees of the City participate in the Municipal Police Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan description – All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809-7017.

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.50% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the years ending June 2009, 2008, and 2007 were 46,526, \$54,498 and \$43,716 respectively, equal to the required contributions for each year.

(12) Litigation and Claims

At June 30, 2009, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Utility Fund Contracts

- A. The City, under contract dated October 1, 1991, is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority. Termination of the contract requires a six-month notice. The City purchased natural gas during the year ended June 30, 2009, in the amount of \$179,721, of which \$645 was owed for purchases for the month of June 2009.
- B. The City, under a contract dated June 1, 1997, and expiring May 31, 2022, is required to purchase its water from the City of Lafayette. The City purchased water during the fiscal year ended June 30, 2009 in the amount of \$458,699, of which \$36,083 was owed for purchases for the month of June 2009.

(14) Segment Information for the Enterprise Fund

The City of Scott maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Segment information for the year ended June 30, 2009, was as follows:

	Gas <u>Department</u>	Water <u>Department</u>	Sewer <u>Department</u>	Garbage <u>Department</u>	Total Enterprise <u>Fund</u>
Operating revenues	\$527,424	\$900,195	\$ 362,807	\$ 587,788	\$2,378,214
Operating expenses:					
Depreciation	31,520	100,233	162,696	-	294,449
Other	364,306	740,385	373,602	569,279	2,047,572
Total operating expenses	395,826	840,618	536,298	569,279	2,342,021
Operating income (loss)	\$131,598	\$ 59,577	\$ (173,491)	\$ 18,509	\$ 36,193

(15) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2009 follows:

Hazel Myers, Mayor	\$ 59,123
Aldermen:	
Norwood Menard	12,265
Bob Boudreaux	8,763
Terry Montoucet	8,763
Mark Moreau	8,763
Bill Young	8,763
	<u>\$106,440</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(17) Other Post-Employment Benefits

In May 2009, the City adopted a resolution authorizing the payment of health insurance premiums to provide continuing health care benefits for its eligible retired employees. As of June 30, 2009, the plan covered 100 percent of the employees' health insurance premiums. The plan does not cover any of the spouses' premiums. The costs of these premiums are recorded as expenses when paid by the City annually. For the year ended June 30, 2009, the amount of retiree benefits totaled \$668 and there was one former employee qualified to receive such benefits.

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement requires the accrual of postemployment benefits for retired employees. The City is required to implement this standard for the fiscal year ending June 30, 2010. The City has not yet determined the full impact that adoption of GASB Statement 45 will have on the financial statements.

(18) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2009:

Due to the Utility Fund from the General Fund representing short-term loans	\$ 379,419
Due to the Utility Fund from the 1984 Sales Tax Fund representing short-term loans	111,184
Due to the Utility Fund from the Sewer System Construction Fund representing short-term loans	1,837
Due to the General Fund from the 1984 Sales Tax Fund for reimbursement for expenditures paid	20,072
Due to the 1968 Sales Tax Fund from the General Fund for reimbursement for expenditures paid	8,150
Due to the 1968 Sales Tax Fund from the Sewer System Construction Fund for reimbursement for expenditures paid	3,050
Due to the 1984 Sales Tax Fund from the 1968 Sales Tax Fund for reimbursement for expenditures paid	82,527
Due to the 1984 Sales Tax Fund from the Sewer System Construction Fund for reimbursement for expenditures paid	2,150
Total	<u>\$ 608,389</u>

(continued)

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) Interfund Transactions (Continued)

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 115,949
Due from other funds, Statement of Net Assets - Proprietary Funds	<u>492,440</u>
Total	<u>\$ 608,389</u>

B. Transfers

Transfers consisted of the following at June 30, 2009:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$1,325,000	\$ -
1968 Sales Tax Special Revenue Fund	-	514,348
1984 Sales Tax Special Revenue Fund	-	1,125,000
Proprietary Fund:		
Enterprise Fund	<u>814,348</u>	<u>500,000</u>
Total	<u>\$2,139,348</u>	<u>\$2,139,348</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$ 598,000	\$ 644,025	\$ 640,137	\$(3,888)	\$ 591,628
Licenses and permits	197,200	217,200	229,376	12,176	226,822
Intergovernmental	24,413	351,147	371,768	20,621	109,169
Fines and forfeits	381,500	321,300	245,507	(75,793)	426,782
Miscellaneous	23,500	147,751	166,510	18,759	63,785
Total revenues	<u>1,224,613</u>	<u>1,681,423</u>	<u>1,653,298</u>	<u>(28,125)</u>	<u>1,418,186</u>
Expenditures:					
General government:	568,255	539,868	538,026	1,842	509,317
Public safety:					
Police	1,434,169	1,466,016	1,415,656	50,360	1,328,637
Streets	483,964	451,471	453,572	(2,101)	383,730
Culture and tourism	42,366	50,835	60,081	(9,246)	4,450
Capital outlay	<u>732,975</u>	<u>516,741</u>	<u>506,092</u>	<u>10,649</u>	<u>586,566</u>
Total expenditures	<u>3,261,729</u>	<u>3,024,931</u>	<u>2,973,427</u>	<u>51,504</u>	<u>2,812,700</u>
Deficiency of revenues over expenditures	<u>(2,037,116)</u>	<u>(1,343,508)</u>	<u>(1,320,129)</u>	<u>23,379</u>	<u>(1,394,514)</u>
Other financing sources:					
Transfers from -					
Utility Fund	800,000	500,000	500,000	-	500,000
1968 Sales Tax Fund	200,000	200,000	200,000	-	300,000
1984 Sales Tax Fund	<u>900,000</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>	<u>675,000</u>
Total other financing sources	<u>1,900,000</u>	<u>1,325,000</u>	<u>1,325,000</u>	<u>-</u>	<u>1,475,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(137,116)</u>	<u>(18,508)</u>	<u>4,871</u>	<u>23,379</u>	<u>80,486</u>
Fund balance, beginning	<u>1,104,845</u>	<u>1,104,845</u>	<u>1,104,845</u>	<u>-</u>	<u>1,024,359</u>
Fund balance, ending	<u>\$ 967,729</u>	<u>\$1,086,337</u>	<u>\$1,109,716</u>	<u>\$23,379</u>	<u>\$ 1,104,845</u>

CITY OF SCOTT, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$1,500,000	\$1,510,000	\$1,518,715	\$ 8,715	\$1,440,354
Intergovernmental -state	7,800	84,145	64,493	(19,652)	494,910
Miscellaneous	90,000	45,850	48,797	2,947	128,441
Total revenues	<u>1,597,800</u>	<u>1,639,995</u>	<u>1,632,005</u>	<u>(7,990)</u>	<u>2,063,705</u>
Expenditures:					
General government	13,700	14,350	15,948	(1,598)	14,728
Streets	123,315	133,815	129,188	4,627	158,081
Capital outlay	<u>1,470,900</u>	<u>1,008,963</u>	<u>1,038,179</u>	<u>(29,216)</u>	<u>1,114,947</u>
Total expenditures	<u>1,607,915</u>	<u>1,157,128</u>	<u>1,183,315</u>	<u>(26,187)</u>	<u>1,287,756</u>
Excess of revenues over expenditures	(10,115)	482,867	448,690	(34,177)	775,949
Other financing uses:					
Transfers to other funds:	<u>(804,725)</u>	<u>(474,384)</u>	<u>(514,348)</u>	<u>(39,964)</u>	<u>(593,625)</u>
Excess (deficiency) of revenues over expenditures and other uses	(814,840)	8,483	(65,658)	(74,141)	182,324
Fund balances, beginning	<u>3,556,945</u>	<u>3,556,945</u>	<u>3,556,945</u>	<u>-</u>	<u>3,374,621</u>
Fund balances, ending	<u>\$2,742,105</u>	<u>\$3,565,428</u>	<u>\$3,491,287</u>	<u>\$ (74,141)</u>	<u>\$3,556,945</u>

CITY OF SCOTT, LOUISIANA
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$1,500,000	\$1,510,000	\$1,518,715	\$ 8,715	\$1,440,354
Miscellaneous	70,000	28,000	48,610	20,610	88,533
Total revenues	<u>1,570,000</u>	<u>1,538,000</u>	<u>1,567,325</u>	<u>29,325</u>	<u>1,528,887</u>
Expenditures:					
General government	13,700	14,350	15,368	(1,018)	14,718
Public safety:					
Fire	164,517	155,512	166,935	(11,423)	156,851
Streets	<u>86,546</u>	<u>82,461</u>	<u>82,006</u>	<u>455</u>	<u>88,958</u>
Total expenditures	<u>264,763</u>	<u>252,323</u>	<u>264,309</u>	<u>(11,986)</u>	<u>260,527</u>
Excess of revenues over expenditures	1,305,237	1,285,677	1,303,016	17,339	1,268,360
Other financing uses:					
Transfers to other funds:	<u>(1,500,000)</u>	<u>(1,125,000)</u>	<u>(1,125,000)</u>	<u>-</u>	<u>(1,175,000)</u>
Excess of revenues over expenditures and other uses	(194,763)	160,677	178,016	17,339	93,360
Fund balances, beginning	<u>2,447,576</u>	<u>2,447,576</u>	<u>2,447,576</u>	<u>-</u>	<u>2,354,216</u>
Fund balances, ending	<u>\$2,252,813</u>	<u>\$2,608,253</u>	<u>\$2,625,592</u>	<u>\$17,339</u>	<u>\$2,447,576</u>

CITY OF SCOTT, LOUISIANA
TIF District Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$ 200,400	\$248,000	\$260,361	\$ 12,361	\$134,028
Miscellaneous	1,000	600	1,072	472	\$ 103
Total revenues	<u>201,400</u>	<u>248,600</u>	<u>261,433</u>	<u>12,833</u>	<u>\$134,131</u>
Expenditures:					
General government -					
Collection fees	700	720	1,150	(430)	613
Supplies	-	-	-	-	91
Total expenditures	<u>700</u>	<u>720</u>	<u>1,150</u>	<u>(430)</u>	<u>704</u>
Excess of revenues over expenditures	200,700	247,880	260,283	12,403	133,427
Fund balances, beginning	<u>133,427</u>	<u>133,427</u>	<u>133,427</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>334,127</u>	<u>\$381,307</u>	<u>\$393,710</u>	<u>\$ 12,403</u>	<u>\$133,427</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF SCOTT, LOUISIANA

Statement of Net Assets
June 30, 2009
With Comparative Totals for June 30, 2008

	2009			2008
	Governmental Activities	Business-Type Activities	Total	Totals
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 3,777,560	\$ 2,608,603	\$ 6,386,163	\$ 5,516,232
Investments	4,244,743	54,132	4,298,875	4,244,410
Receivables, net	263,753	292,135	555,888	629,454
Internal balances	(492,440)	492,440	-	-
Due from other governmental units	64,301	-	64,301	52,685
Prepaid items	81,180	29,224	110,404	95,495
Total current assets	<u>7,939,097</u>	<u>3,476,534</u>	<u>11,415,631</u>	<u>10,538,276</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	34,033	34,033	30,486
Investments	-	132,653	132,653	133,336
Capital assets, net	<u>9,443,045</u>	<u>7,384,809</u>	<u>16,827,854</u>	<u>16,288,543</u>
Total noncurrent assets	<u>9,443,045</u>	<u>7,551,495</u>	<u>16,994,540</u>	<u>16,452,365</u>
Total assets	<u>17,382,142</u>	<u>11,028,029</u>	<u>28,410,171</u>	<u>26,990,641</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	173,919	119,638	293,557	420,181
Deferred revenue	<u>122,809</u>	<u>50,490</u>	<u>173,299</u>	<u>116,377</u>
Total current liabilities	296,728	170,128	466,856	536,558
Noncurrent liabilities:				
Customers deposits payable	<u>-</u>	<u>166,686</u>	<u>166,686</u>	<u>163,822</u>
Total liabilities	<u>296,728</u>	<u>336,814</u>	<u>633,542</u>	<u>700,380</u>
NET ASSETS				
Invested in capital assets	9,443,045	7,384,809	16,827,854	16,288,543
Unrestricted	<u>7,642,369</u>	<u>3,306,406</u>	<u>10,948,775</u>	<u>10,001,718</u>
Total net assets	<u>\$17,085,414</u>	<u>\$10,691,215</u>	<u>\$27,776,629</u>	<u>\$26,290,261</u>

CITY OF SCOTT, LOUISIANA

Balance Sheet
General and Special Revenue Funds
June 30, 2009
With Comparative Totals as of June 30, 2008

	General		1968 Sales Tax Special Revenue		1984 Sales Tax Special Revenue		TIF District Sales Tax Special Revenue	
	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS								
Cash	\$ 950,121	\$ 174,888	\$ 10,095	\$ 9,416	\$ 7,050	\$ 14,434	\$ -	\$ -
Interest-bearing deposits	132,424	323,762	827,905	936,278	1,448,103	1,667,323	372,761	112,243
Investments	475,533	469,762	2,661,917	2,629,611	1,107,293	1,093,855	-	-
Receivables:								
Taxes	2,165	1,980	116,377	115,419	116,377	115,419	21,011	21,271
Accrued interest	121	117	55	1,090	7,124	14,703	38	24
Due from other funds	20,072	316,441	11,200	-	84,677	84,677	-	-
Due from other governmental units	64,301	5,399	-	27,452	-	-	-	-
Other	485	62,079	-	-	-	-	-	-
Prepaid items	81,180	75,520	-	-	-	-	-	-
Total assets	<u>\$ 1,726,402</u>	<u>\$ 1,429,948</u>	<u>\$3,627,549</u>	<u>\$3,719,266</u>	<u>\$2,770,624</u>	<u>\$2,990,411</u>	<u>\$393,810</u>	<u>\$133,538</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 105,627	\$ 131,894	\$ 53,160	\$ 29,772	\$ 13,185	\$ 14,623	\$ -	\$ -
Contracts payable	-	-	-	4,950	-	-	-	-
Retainage payable	-	-	-	47,906	-	-	-	-
Accrued liabilities	681	491	575	586	591	586	100	111
Due to other funds	387,569	121,702	82,527	79,107	131,256	527,626	-	-
Deferred revenue	122,809	71,016	-	-	-	-	-	-
Total liabilities	<u>616,686</u>	<u>325,103</u>	<u>136,262</u>	<u>162,321</u>	<u>145,032</u>	<u>542,835</u>	<u>100</u>	<u>111</u>
Fund balances -								
Reserved for prepaid items	81,180	75,520	-	-	-	-	-	-
Unreserved, undesignated	1,028,536	1,029,325	3,491,287	3,556,945	2,625,592	2,447,576	393,710	133,427
Total fund balances	<u>1,109,716</u>	<u>1,104,845</u>	<u>3,491,287</u>	<u>3,556,945</u>	<u>2,625,592</u>	<u>2,447,576</u>	<u>393,710</u>	<u>133,427</u>
Total liabilities and fund balances	<u>\$ 1,726,402</u>	<u>\$ 1,429,948</u>	<u>\$3,627,549</u>	<u>\$3,719,266</u>	<u>\$2,770,624</u>	<u>\$2,990,411</u>	<u>\$393,810</u>	<u>\$133,538</u>

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget	2008
	Original	Final	Actual	Positive (Negative)	Actual
Taxes:					
Ad valorem	\$180,000	\$181,376	\$183,650	\$ 2,274	\$178,191
Franchise -					
Electric	359,000	400,000	393,839	(6,161)	356,904
Natural gas	15,000	18,609	18,609	-	14,845
Cable TV	44,000	44,040	44,039	(1)	41,688
Total taxes	<u>598,000</u>	<u>644,025</u>	<u>640,137</u>	<u>(3,888)</u>	<u>591,628</u>
Licenses and permits:					
Liquor and beer licenses	7,000	4,000	7,235	3,235	6,270
Occupational licenses	24,000	23,800	21,766	(2,034)	24,320
Insurance occupational licenses	124,000	135,000	148,679	13,679	136,969
Building permits	25,000	33,000	29,696	(3,304)	36,068
Electrical permits	8,500	11,000	11,200	200	10,800
Culvert permits	1,100	2,000	2,000	-	2,700
Moving permits	4,000	3,500	3,650	150	5,300
Work permits	800	200	175	(25)	100
Air conditioner inspection	2,800	4,700	4,975	275	4,295
Total licenses and permits	<u>197,200</u>	<u>217,200</u>	<u>229,376</u>	<u>12,176</u>	<u>226,822</u>
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt Assistance	-	201,377	201,377	-	-
State of Louisiana -					
Homeland Security Grant	-	28,293	27,851	(442)	-
Building code grant	-	20,000	42,261	22,261	15,805
Department of Revenue and Taxation:					
Beer taxes	15,700	15,279	15,279	-	16,045
Tobacco taxes	-	-	-	-	12,339
Department of Transportation:					
Grass cutting	8,713	9,460	9,460	-	9,460
Office of Rural Development:					
Law Enforcement	-	8,763	8,885	122	46,601
Local -					
Lafayette Tourist Grant - Begnaud House	-	13,975	12,655	(1,320)	8,919
Lafayette Parish School Board	-	54,000	54,000	-	-
Total intergovernmental	<u>24,413</u>	<u>351,147</u>	<u>371,768</u>	<u>20,621</u>	<u>109,169</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Fines and forfeits:					
Fines and court costs - regular	80,000	110,000	56,552	(53,448)	91,605
Fines and court costs - LACE	300,000	211,000	188,629	(22,371)	333,467
Clerk of Court	1,500	300	326	26	1,710
Total fines and forfeits	<u>381,500</u>	<u>321,300</u>	<u>245,507</u>	<u>(75,793)</u>	<u>426,782</u>
Miscellaneous:					
Interest	22,000	6,620	10,734	4,114	21,641
Sale of assets	-	-	-	-	50
Sale of assets - police assets	-	-	-	-	1,200
Begnaud House inventory sales	-	6,840	9,935	3,095	-
Donations - Centennial	-	-	-	-	24,121
Bingo charges and fees	-	130,070	130,070	-	-
Other police revenues	-	-	11,394	11,394	16,773
Other sources	1,500	4,221	4,377	156	-
Total miscellaneous	<u>23,500</u>	<u>147,751</u>	<u>166,510</u>	<u>18,759</u>	<u>63,785</u>
Total revenues	<u>\$1,224,613</u>	<u>\$1,681,423</u>	<u>\$1,653,298</u>	<u>\$(28,125)</u>	<u>\$1,418,186</u>

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009			Variance with Final Budget	2008
	Budget			Positive (Negative)	Actual
	Original	Final	Actual		
General government:					
Administration:					
Mayor and council salaries	\$101,073	\$106,966	\$106,440	\$ 526	\$93,292
Other salaries	103,869	98,252	91,244	7,008	81,799
Payroll taxes	15,754	13,603	15,550	(1,947)	13,992
Retirement	9,985	10,659	9,634	1,025	8,120
Utilities	11,000	11,000	9,402	1,598	9,817
Telephone	12,700	12,990	11,995	995	12,031
Advertising and publications	20,000	20,000	20,452	(452)	26,429
Repairs and maintenance	17,000	15,000	15,061	(61)	15,916
Dues and conventions	3,500	2,400	2,822	(422)	3,149
Legal fees	60,000	62,000	65,884	(3,884)	64,025
Accounting and auditing	16,500	16,500	16,120	380	16,165
Computer service	1,500	1,500	2,060	(560)	1,356
Office car expense	2,100	2,450	2,746	(296)	2,248
General insurance	35,000	25,000	29,081	(4,081)	34,654
Group insurance	15,056	17,103	16,951	152	17,430
Office supplies	30,000	30,000	28,980	1,020	23,512
Alarm system	300	300	300	-	300
Uniforms	3,800	3,800	4,032	(232)	3,774
Disposal charges	2,000	2,100	2,086	14	1,918
Tower charges	1,300	1,200	1,079	121	1,257
Web page	500	500	559	(59)	317
Bank service charges	500	1,100	1,069	31	631
Drug testing	1,500	1,220	1,275	(55)	1,426
Scott business appreciation	3,000	4,478	4,478	-	3,087
Council on Aging	5,600	5,600	5,600	-	5,600
Culture and twinning	2,200	2,570	3,465	(895)	252
Prayer Day	500	356	82	274	390
Mardi Gras parade	1,500	1,500	1,500	-	1,500
Miscellaneous	1,000	824	1,214	(390)	520
	<u>478,737</u>	<u>470,971</u>	<u>471,161</u>	<u>(190)</u>	<u>444,907</u>
Code Department:					
Salaries	38,574	34,380	35,715	(1,335)	34,936
Payroll taxes and retirement	5,655	5,572	5,052	520	4,840
Group insurance	5,018	4,000	3,965	35	5,492
Building permits	21,000	4,700	3,790	910	4,430
Electrical and air conditioner permits	8,500	6,900	6,650	250	7,925
A/C inspection	2,800	2,200	1,750	450	3,545
Demolition	7,671	10,800	8,068	2,732	2,658
Training	300	345	1,875	(1,530)	584
	<u>89,518</u>	<u>68,897</u>	<u>66,865</u>	<u>2,032</u>	<u>64,410</u>
Total general government	568,255	539,868	538,026	1,842	\$09,317

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009			Variance with	
	Budget			Final Budget	
	Original	Final	Actual	Positive (Negative)	2008 Actual
Public safety:					
Police -					
Salaries	726,972	740,648	740,802	(154)	629,548
Salaries - Chief	54,863	56,509	56,171	338	47,707
Clerk of Court salaries	2,000	2,000	1,140	860	2,180
LACE salaries	45,000	28,222	27,770	452	44,852
Payroll taxes	58,621	62,276	65,031	(2,755)	57,832
Retirement	39,500	88,237	46,526	41,711	54,117
Auto expense	120,000	81,000	71,034	9,966	97,270
Uniforms and supplies	15,000	18,000	17,918	82	13,243
Uniforms - police office personnel	3,000	3,000	2,652	348	2,374
Supplies	2,000	2,000	1,665	335	3,704
Training, lodging and travel	10,000	12,050	11,385	665	8,713
Dues and subscriptions	600	1,800	2,112	(312)	910
Law enforcement and crime lab fees	1,000	1,000	-	1,000	-
Drug testing	3,000	4,000	4,430	(430)	2,981
General insurance	115,044	137,050	137,319	(269)	89,075
Group insurance	98,245	91,200	90,392	808	77,760
Claims expenditures	-	-	-	-	60,000
Advertising	1,000	1,000	1,023	(23)	788
Miscellaneous	1,500	1,200	3,802	(2,602)	3,312
Auto repairs and maintenance	30,000	33,000	34,028	(1,028)	33,431
Garage repairs and maintenance	31,733	31,733	31,471	262	30,875
Tower charges	7,500	7,500	7,540	(40)	7,140
Janitorial	5,000	5,000	4,800	200	4,200
Firearms and ammunition	2,500	2,500	2,466	34	2,490
Telephone	16,500	17,500	17,859	(359)	16,700
Computer services	10,000	13,000	12,820	180	11,238
Office equipment repairs and maintenance	6,000	5,500	5,398	102	4,946
Utilities	9,000	6,500	6,958	(458)	8,787
Office supplies	14,000	11,000	9,548	1,452	10,636
Civil service -					
Contract services	1,591	1,591	1,596	(5)	1,508
Office supplies/advertising	3,000	-	-	-	320
Total public safety	1,434,169	1,466,016	1,415,656	50,360	1,328,637

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009			Variance with	
	Budget			Final Budget	2008
	Original	Final	Actual	Positive (Negative)	Actual
Streets:					
Salaries	222,362	198,000	196,513	1,487	171,391
Retirement	15,009	13,370	12,646	724	11,343
Payroll taxes	17,455	15,560	15,456	104	13,609
Street lighting	82,100	79,000	75,622	3,378	66,829
General insurance	58,400	48,000	55,835	(7,835)	58,121
Group insurance	24,000	22,428	22,229	199	26,054
Uniforms	1,500	916	916	-	1,593
Install/remove Christmas decorations	2,563	2,713	2,713	-	2,563
Lawn maintenance	48,825	25,350	25,400	(50)	23,980
Beautification and tree preservation	-	30,800	28,365	2,435	-
Contract labor	-	13,934	15,122	(1,188)	8,039
Miscellaneous	11,750	1,400	2,755	(1,355)	208
Total streets	483,964	451,471	453,572	(2,101)	383,730
Culture and recreation:					
Begnaud House -					
Salaries	22,136	22,982	22,982	-	3,447
Payroll taxes	1,738	1,806	1,806	-	264
Group insurance	-	750	745	5	-
Inventory sold	-	-	4,386	(4,386)	-
Utilities	3,600	4,100	1,953	2,147	-
Advertising and marketing	6,712	4,924	4,887	37	-
Alarm	360	396	396	-	-
Events	-	-	2,969	(2,969)	-
Telephone/cable/TV/internet	3,180	2,610	2,838	(228)	-
Office expenditures	-	2,400	6,728	(4,328)	-
Computer services	-	2,428	2,428	-	-
Building and grounds maintenance	-	4,331	1,739	2,592	-
Conferences	2,400	2,724	2,903	(179)	-
Miscellaneous	2,240	1,384	3,321	(1,937)	739
Total culture and recreation	42,366	50,835	60,081	(9,246)	4,450
Central garage:					
Salaries	47,233	47,233	47,066	167	42,858
Payroll taxes	3,708	3,200	3,177	23	2,893
Retirement	3,188	3,175	3,702	(527)	3,400
Supplies and parts	19,800	15,000	15,111	(111)	18,538
Tools	2,000	2,000	1,575	425	1,448
Truck expenditures	6,660	3,502	3,168	334	6,666
Repairs and maintenance	100	1,005	1,104	(99)	186
General insurance	4,200	6,500	7,561	(1,061)	3,734
Group insurance	5,019	4,300	4,262	38	4,455
Uniforms	250	238	238	-	242
Training	800	2,240	1,806	434	-
Disposal charge	1,950	2,100	2,118	(18)	1,880
Less: allocated to departments	(94,908)	(90,493)	(90,888)	395	(86,300)
Total central garage	-	-	-	-	-

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Capital outlay:					
General government -					
Automobiles	-	17,100	17,094	6	-
Equipment	-	22,000	21,593	407	1,900
Office equipment - Code Dept.	-	7,500	7,508	(8)	1,889
City hall improvements	-	-	-	-	7,000
Software for code department	-	11,287	-	11,287	13,332
Web page	-	-	-	-	9,500
Folding tables and 15 chairs	1,175	1,425	1,175	250	-
Time capsule	20,000	2,670	-	2,670	-
Public safety -					
Police:					
Automobiles	91,000	99,500	102,280	(2,780)	100,450
Equipment	53,000	75,000	83,589	(8,589)	56,724
Lace automobiles	-	-	-	-	79,878
Lace equipment	-	-	-	-	35,554
Bullet proof vests	3,000	-	-	-	2,314
Law enforcement grant	-	-	-	-	47,387
Equipment - Reserve Fund	-	5,846	5,760	86	14,810
100 foot tower	36,000	44,000	48,711	(4,711)	-
Police and fire service building	500,000	-	-	-	-
Highways and streets -					
Hurricane expenditures	-	187,958	187,958	-	-
Trees cut at I-10	26,000	24,990	24,990	-	-
Central garage -					
Port-a-cool fan	2,800	-	2,236	(2,236)	-
Culture and tourism -					
Begnaud House Triangle Tribute	-	17,465	-	17,465	-
Begnaud House renovation	-	-	3,198	(3,198)	167,013
Centennial	-	-	-	-	48,815
Total capital outlay	<u>732,975</u>	<u>516,741</u>	<u>506,092</u>	<u>10,649</u>	<u>586,566</u>
Total expenditures	<u>\$3,261,729</u>	<u>\$3,024,931</u>	<u>\$2,973,427</u>	<u>\$51,504</u>	<u>\$2,812,700</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009			Variance with Final Budget	2008
	Budget			Positive (Negative)	Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$1,500,000	\$1,510,000	\$1,518,715	\$ 8,715	\$1,440,354
Intergovernmental - state grant	7,800	84,145	64,493	(19,652)	494,910
Miscellaneous - interest	90,000	45,850	48,797	2,947	128,441
Total revenues	1,597,800	1,639,995	1,632,005	(7,990)	2,063,705
Expenditures:					
General government -					
Collection fees	5,700	6,350	6,738	(388)	6,193
Professional fees	8,000	8,000	9,210	(1,210)	8,535
Total general government	13,700	14,350	15,948	(1,598)	14,728
Streets -					
Supplies and repairs	40,000	50,500	59,020	(8,520)	56,606
Herbicide program	33,315	33,315	33,315	-	37,753
Engineering fees - annexations, etc.	50,000	50,000	36,853	13,147	63,722
Total streets	123,315	133,815	129,188	4,627	158,081
Capital outlay -					
Streets:					
Blacktop - various streets	1,000,000	808,346	808,345	1	65,141
Land/street frontage	-	-	-	-	801,010
Dump truck, grabber truck, and winch	-	-	-	-	153,840
Land use	-	-	-	-	8,380
Renaud bridge replacement	-	-	13,035	(13,035)	54,689
Speed humps	-	-	-	-	4,905
Vehicles	27,000	12,910	29,651	(16,741)	-
Equipment	-	-	-	-	5,437
Street barrier	-	1,645	1,644	1	-
Wood fence for pump station	-	2,197	2,197	-	-
Drainage - Judice Oaks	-	-	-	-	21,545
Emerald Gardens culverts	-	38,388	33,552	4,836	-
School zone crossing signs	8,000	4,975	4,925	50	-
Sidewalks	22,200	20,390	23,510	(3,120)	-
Engineering fees - Destination Point	260,000	-	-	-	-
Railroad crossing at Sunset Street	140,000	107,542	108,750	(1,208)	-
Barricades	13,700	12,570	12,570	-	-
Total capital outlay	1,470,900	1,008,963	1,038,179	(29,216)	1,114,947
Total expenditures	1,607,915	1,157,128	1,183,315	(26,187)	1,287,756
Excess of revenues over expenditures	(10,115)	482,867	448,690	(34,177)	775,949

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Other financing uses:					
Transfers to -					
Utility Fund	(599,725)	(274,384)	(314,348)	(39,964)	(293,625)
Sewer Construction Fund	(5,000)	-	-	-	-
General Fund	(200,000)	(200,000)	(200,000)	-	(300,000)
Total other financing uses	(804,725)	(474,384)	(514,348)	(39,964)	(593,625)
Excess (deficiency) of revenues over expenditures and other uses	(814,840)	8,483	(65,658)	(74,141)	182,324
Fund balance, beginning	3,556,945	3,556,945	3,556,945	-	3,374,621
Fund balance, ending	\$2,742,105	\$3,565,428	\$3,491,287	\$ (74,141)	\$3,556,945

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009			Variance with Final Budget Positive (Negative)	2008 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$1,500,000	\$1,510,000	\$1,518,715	\$ 8,715	\$1,440,354
Miscellaneous -					
Interest	70,000	28,000	48,610	20,610	88,533
Total revenues	1,570,000	1,538,000	1,567,325	29,325	1,528,887
Expenditures:					
General government -					
Sales tax collection fee	5,700	6,350	6,738	(388)	6,193
Professional fees	8,000	8,000	8,630	(630)	8,525
Total general government	13,700	14,350	15,368	(1,018)	14,718
Fire:					
Contract	75,000	75,000	75,000	-	75,000
Telephone and supplies	3,110	2,500	2,380	120	2,978
Uniforms	1,500	1,500	688	812	1,513
Professional fees	8,400	8,400	14,002	(5,602)	9,111
Salaries and benefits	68,991	60,312	66,890	(6,578)	59,748
Payroll taxes	5,416	5,400	5,183	217	4,609
Insurance	2,100	2,400	2,792	(392)	3,892
Total fire	164,517	155,512	166,935	(11,423)	156,851
Total public safety	164,517	155,512	166,935	(11,423)	156,851

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance with Final Budget Positive (Negative)	2008 Actual
	Original	Final	Actual		
Streets -					
Central garage	31,733	31,673	31,449	224	30,875
Vehicle and equipment repairs and maintenance	40,000	36,000	35,769	231	43,270
Equipment lease	14,813	14,788	14,788	-	14,813
Total streets	<u>86,546</u>	<u>82,461</u>	<u>82,006</u>	<u>455</u>	<u>88,958</u>
 Total expenditures	<u>264,763</u>	<u>252,323</u>	<u>264,309</u>	<u>(11,986)</u>	<u>260,527</u>
 Excess of revenues over expenditures	<u>1,305,237</u>	<u>1,285,677</u>	<u>1,303,016</u>	<u>17,339</u>	<u>1,268,360</u>
Other financing uses -					
Transfers to:					
Utility Fund	(600,000)	(500,000)	(500,000)	-	(500,000)
General Fund	(900,000)	(625,000)	(625,000)	-	(675,000)
Total other financing uses	<u>(1,500,000)</u>	<u>(1,125,000)</u>	<u>(1,125,000)</u>	<u>-</u>	<u>(1,175,000)</u>
 Excess (deficiency) of revenues over expenditures and other uses	<u>(194,763)</u>	<u>160,677</u>	<u>178,016</u>	<u>17,339</u>	<u>93,360</u>
 Fund balance, beginning	<u>2,447,576</u>	<u>2,447,576</u>	<u>2,447,576</u>	<u>-</u>	<u>2,354,216</u>
 Fund balance, ending	<u>\$2,252,813</u>	<u>\$2,608,253</u>	<u>\$2,625,592</u>	<u>\$17,339</u>	<u>\$2,447,576</u>

CITY OF SCOTT, LOUISIANA
Nonmajor Capital Projects Fund
Sewer System Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009				
	Budget			Variance -	2008
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Revenues:					
LCDBG federal grant	\$ -	\$ -	\$ -	\$ -	\$ 348,750
LGAP state grant	-	-	-	-	38,750
Miscellaneous - interest	<u>100</u>	<u>100</u>	<u>85</u>	<u>(15)</u>	<u>507</u>
Total revenues	<u>100</u>	<u>100</u>	<u>85</u>	<u>(15)</u>	<u>388,007</u>
Expenditures:					
Capital outlay -					
Sewer treatment plant repairs	-	-	-	-	2,752
Sewer LCDBG rehabilitation project	-	-	-	-	482,137
Sewer rehab	<u>10,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total expenditures:	<u>10,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>484,889</u>
Deficiency of revenues over expenditures	<u>(9,900)</u>	<u>(900)</u>	<u>85</u>	<u>985</u>	<u>(96,882)</u>
Other financing sources:					
Transfers from Utility Fund	-	-	-	-	55,506
Transfer from 1968 Sales Tax Fund	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,506</u>
Deficiency of revenues and other sources over expenditures	<u>(4,900)</u>	<u>(900)</u>	<u>85</u>	<u>985</u>	<u>(41,376)</u>
Fund balance, beginning	<u>3,711</u>	<u>3,711</u>	<u>3,711</u>	<u>-</u>	<u>45,087</u>
Fund balance, ending	<u>\$ (1,189)</u>	<u>\$ 2,811</u>	<u>\$ 3,796</u>	<u>\$ 985</u>	<u>\$ 3,711</u>

CITY OF SCOTT, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2009
With Comparative Totals for June 30, 2008

	Sales Tax Bonds Fund	Street Improvement and Construction Fund	Totals	
			2009	2008
ASSETS				
Interest-bearing deposits, at cost	<u>\$12,366</u>	<u>\$ 5,902</u>	<u>\$ 18,268</u>	<u>\$18,219</u>
FUND BALANCES				
Fund balances:				
Reserved for street improvements	\$ -	\$ 5,902	\$ 5,902	\$ 5,886
Unreserved, undesignated	<u>12,366</u>	<u>-</u>	<u>12,366</u>	<u>12,333</u>
Total fund balances	<u>\$12,366</u>	<u>\$ 5,902</u>	<u>\$ 18,268</u>	<u>\$18,219</u>

CITY OF SCOTT, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2009

With Comparative Totals for June 30, 2008

	Sales Tax Bonds Fund	Street Improvement and Construction Fund	Totals	
			2009	2008
Revenues:				
Miscellaneous - interest	\$ 33	\$ 16	\$ 49	\$ 162
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	33	16	49	162
Fund balance, beginning	<u>12,333</u>	<u>5,886</u>	<u>18,219</u>	<u>18,057</u>
Fund balance, ending	<u>\$ 12,366</u>	<u>\$ 5,902</u>	<u>\$ 18,268</u>	<u>\$ 18,219</u>

NONMAJOR DEBT SERVICE FUND

Sales Tax Bonds Fund -

To accumulate monies for payment of \$770,000 of sales tax bonds, Series 1994, which are due in annual installments, plus interest, through maturity in 2005 and \$1,100,000 of public improvement sales tax refunding bonds, Series 1997 which are due in annual installments, plus interest, through maturity in 2010. Debt service is financed from the collection of the City's 1984 1% sales tax. These bonds were fully paid during the year ending June 30, 2006.

CITY OF SCOTT, LOUISIANA
Nonmajor Debt Service Fund
Sales Tax Bonds Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009			Variance-	2008
	Budget			Favorable	
	Original	Final	Actual	(Unfavorable)	Actual
Revenues:					
Miscellaneous - interest	\$ 150	\$ 24	\$ 33	\$ 9	\$ 123
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	150	24	33	9	123
Fund balance, beginning	<u>12,333</u>	<u>12,333</u>	<u>12,333</u>	-	<u>12,210</u>
Fund balance, ending	<u>\$12,483</u>	<u>\$12,357</u>	<u>\$12,366</u>	<u>\$ 9</u>	<u>\$12,333</u>

NONMAJOR CAPITAL PROJECTS FUND

Street Improvement and Construction Fund -

To account for construction and improvements to be made to the City's streets using proceeds from the collection of the City's 1968 sales and use tax.

CITY OF SCOTT, LOUISIANA
Nonmajor Capital Projects Fund
Street Improvement and Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009
With Comparative Actual Amounts for the Year Ended June 30, 2008

	2009			Variance -	2008
	Budget			Favorable	
	Original	Final	Actual	(Unfavorable)	Actual
Revenues:					
Miscellaneous - interest	\$ 400	\$ 15	\$ 16	\$ 1	\$ 39
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	400	15	16	1	39
Fund balance, beginning	<u>5,886</u>	<u>5,886</u>	<u>5,886</u>	-	<u>5,847</u>
Fund balance, ending	<u>\$6,286</u>	<u>\$ 5,901</u>	<u>\$ 5,902</u>	<u>\$ 1</u>	<u>\$ 5,886</u>

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2009 and 2008

Records maintained by the City indicated the following number of customers were being serviced during the month of June, 2009 and 2008:

<u>Department</u>	<u>2009</u>	<u>2008</u>
Gas (metered)	588	596
Water (metered)	3,001	2,955
Sewerage	1,847	1,822
Garbage	2,761	2,711

CITY OF SCOTT, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
June 30, 2009

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory \$100,000
Surety bonds - On public employees	250,000
Comprehensive general liability, bodily injury and property damage	500,000
Vehicle physical damage	1,515,504
Comprehensive auto liability, bodily injury and property damage	500,000
Special equipment floater	482,500
Fire and lighting, extended coverage, vandalism malicious mischief - Maintenance building on Lions Club Road Sewer plant on Miller Road Police department on Lions Club Road City Hall on Lions Club Road	2,074,174
Law enforcement officers comprehensive liability, personal injury and property damage, \$2,500 deductible	500,000
Public officials' errors and omissions, \$2,500 deductible	500,000
Flood Insurance Buildings and contents	537,900
Boiler and machinery Property damage, \$1,000 deductible	1,687,530

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds June 30, 2009

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Major governmental funds:					
General Fund -					
Certificate of deposit	H	07/29/09	365 days	3.12%	\$ 113,534
Certificate of deposit	E	10/30/09	555 days	3.50%	18,890
Money market investment account	H	N/A	N/A	Variable	1,095
Money market investment account	H	N/A	N/A	Variable	24,008
Money market investment account	H	N/A	N/A	Variable	151,038
Total General Fund					<u>308,565</u>
1968 Sales Tax Fund -					
Certificate of deposit	H	11/06/10	634 days	2.47%	538,142
Money market investment account	H	N/A	N/A	Variable	289,763
Total 1984 Sales Tax Fund					<u>827,905</u>
1984 Sales Tax Fund -					
Money market investment account	H	N/A	N/A	Variable	403,009
Certificate of deposit	H	11/06/10	273 days	2.47%	538,142
Certificate of deposit	I	04/21/10	547 days	2.00%	506,951
Total 1984 Sales Tax Fund					<u>1,448,102</u>
TIF District Sales Tax Fund -					
Money market investment account	H	N/A	N/A	Variable	<u>372,761</u>
Sewer System Construction Fund:					
Money market investment account	H	N/A	N/A	Variable	<u>10,833</u>
<u>Total major governmental funds</u>					<u>2,968,166</u>
Nonmajor governmental funds:					
Debt Service Fund -					
Sales Tax Bonds Fund:					
Money market investment account	H	N/A	N/A	Variable	12,366
Capital Projects Fund -					
Street Improvements and Construction Fund:					
Money market investment account	H	N/A	N/A	Variable	<u>5,902</u>
Total nonmajor governmental funds					<u>18,268</u>

(continued)

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
June 30, 2009

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Utility Fund:					
Unrestricted -					
Certificate of deposit	C	07/13/09	91 days	0.10%	681,499
Certificate of deposit	H	11/06/10	273 days	2.47%	968,656
Certificate of deposit	E	12/31/09	734 days	4.65%	24,452
Money market investment account	H	N/A	N/A	Variable	91,736
Restricted -					
Money market investment account	H	N/A	N/A	Variable	<u>34,033</u>
Total Utility Fund					<u>1,800,376</u>
Total interest-bearing deposits					<u>4,786,810</u>
Investments:					
General Fund -					
Lamp		N/A	N/A	Variable	475,533
1968 Sales Tax Fund -					
Lamp		N/A	N/A	Variable	2,661,917
1984 Sales Tax Fund -					
Lamp		N/A	N/A	Variable	1,107,293
Utility Fund -					
Unrestricted - Lamp		N/A	N/A	Variable	54,132
Restricted - Customer deposits - Lamp		N/A	N/A	Variable	<u>132,653</u>
Total investments					<u>4,431,528</u>
Total interest-bearing deposits and investments					<u>\$ 9,218,338</u>

Financial Institution:

C Chase Bank
E Edward Jones
H Home Bank
I Iberia Bank

CITY OF SCOTT, LOUISIANA

Comparative Statement of Net Assets
Proprietary Fund
June 30, 2009 and 2008

	Enterprise Fund	
	2009	2008
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,608,603	\$ 2,202,691
Investments	54,132	51,182
Receivables:		
Accounts	208,088	220,201
Unbilled utility receivables	83,309	66,312
Accrued interest receivable	738	7,772
Due from other funds	492,440	349,467
Other	-	3,067
Prepaid items	29,224	19,975
Total current assets	<u>3,476,534</u>	<u>2,920,667</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	34,033	30,486
Investments	132,653	133,336
Capital assets, net of accumulated depreciation	<u>7,384,809</u>	<u>7,561,234</u>
Total noncurrent assets	<u>7,551,495</u>	<u>7,725,056</u>
Total assets	<u>11,028,029</u>	<u>10,645,723</u>
LIABILITIES		
Current liabilities:		
Accounts payable	118,904	113,476
Retainage payable	-	23,418
Accrued liabilities	734	1,417
Deferred revenue	<u>50,490</u>	<u>45,361</u>
Total current liabilities	<u>170,128</u>	<u>183,672</u>
Noncurrent liabilities:		
Customers' deposits payable	<u>166,686</u>	<u>163,822</u>
Total liabilities	<u>336,814</u>	<u>347,494</u>
NET ASSETS		
Invested in capital assets, net of related debt	7,384,809	7,561,234
Unrestricted	<u>3,306,406</u>	<u>2,736,995</u>
Total net assets	<u>\$ 10,691,215</u>	<u>\$10,298,229</u>

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Proprietary Fund

For the Years Ended June 30, 2009 and 2008

	Enterprise Fund	
	2009	2008
Operating revenues:		
Charges for services -		
Gas charges	\$ 515,811	\$ 551,335
Water service charges	865,357	880,438
Sewer service charges	351,194	344,353
Garbage service charges	587,788	537,530
Penalties, permits and connection fees	58,064	59,775
Total operating revenues	<u>2,378,214</u>	<u>2,373,431</u>
Operating expenses:		
Salaries	372,872	349,049
Retirement	22,982	22,637
Meter reader expense	33,756	33,662
Disposal charges	2,354	2,295
Sewerage inspection	3,275	3,350
Gas and water purchases	638,420	669,035
Garbage collection fees	569,279	515,045
Supplies and repairs	125,850	123,778
Repairs and maintenance	27,968	24,549
Utilities and telephone	44,264	50,998
Professional fees	15,144	14,955
General insurance	57,271	49,377
Group health insurance	36,668	38,204
Office expense	13,494	12,585
Computer service	3,652	3,036
Payroll taxes	29,323	27,951
Truck expenses	15,114	14,992
Training	702	2,259
Uniforms	2,591	1,641
Equipment lease	11,457	11,457
Bad debts	11,825	7,195
Depreciation expense	294,449	284,518
Water and lab fees	5,405	5,405
Miscellaneous	3,906	4,121
Total operating expenses	<u>2,342,021</u>	<u>2,272,094</u>
Operating income	<u>36,193</u>	<u>101,337</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Fund (Continued)

For the Years Ended June 30, 2009 and 2008

	Enterprise Fund	
	2009	2008
Nonoperating revenues (expenses):		
Interest income	38,770	81,864
Gain on sale of assets	3,675	-
Total nonoperating revenues (expenses)	42,445	81,864
Income before transfers	78,638	183,201
Transfers in (out):		
Transfer from 1984 Sales Tax Fund	500,000	500,000
Transfer from 1968 Sales Tax Fund	314,348	293,625
Transfer to Sewer System Construction Fund	-	(55,506)
Transfer to General Fund	(500,000)	(500,000)
Total transfers in (out)	314,348	238,119
Change in net assets	392,986	421,320
Net assets, beginning	10,298,229	9,876,909
Net assets, ending	\$10,691,215	\$ 10,298,229

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows
Proprietary Fund
For the Years Ended June 30, 2009 and 2008

	Enterprise Fund	
	2009	2008
Cash flows from operating activities:		
Receipts from customers	\$ 2,368,201	\$ 2,338,157
Payments to suppliers	(1,579,818)	(1,535,992)
Payments to employees	<u>(458,933)</u>	<u>(433,299)</u>
Net cash provided by operating activities	<u>329,450</u>	<u>368,866</u>
Cash flows from noncapital financing activities:		
Cash paid to other funds	(142,973)	(85,556)
Transfers from other funds	814,348	793,625
Transfers to other funds	<u>(500,000)</u>	<u>(555,506)</u>
Net cash provided by noncapital financing activities	<u>171,375</u>	<u>152,563</u>
Cash flows from capital and related financing activities:		
Proceeds from meter deposits	32,607	34,075
Refund of meter deposits	(29,743)	(30,505)
Proceeds from sale of fixed assets	8,000	-
Acquisition of property, plant and equipment	<u>(145,767)</u>	<u>(270,210)</u>
Net cash used by capital and related financing activities	<u>(134,903)</u>	<u>(266,640)</u>
Cash flows from investing activities:		
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	1,815,839	836,185
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(1,861,392)	(1,815,839)
Interest on investments	<u>45,804</u>	<u>80,737</u>
Net cash provided (used) by investing activities	<u>251</u>	<u>(898,917)</u>
Net increase (decrease) in cash and cash equivalents	366,173	(644,128)
Cash and cash equivalents, beginning of period	<u>601,856</u>	<u>1,245,984</u>
Cash and cash equivalents, end of period	<u>\$ 968,029</u>	<u>\$ 601,856</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows
Proprietary Fund (Continued)
For the Years Ended June 30, 2009 and 2008

	Enterprise Fund	
	2009	2008
Reconciliation of operating income to net cash used by operating activities:		
Operating income	\$ 36,193	\$ 101,337
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation	294,449	284,518
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	11,822	(27,993)
Increase in provision for uncollectible accounts	291	2,233
Increase in unbilled utility receivables	(16,997)	(7,725)
(Increase) decrease in other receivables	3,067	(3,067)
Increase in prepaid items	(9,249)	(3,597)
Increase in accounts payable	5,428	20,551
Increase (decrease) in accrued liabilities	(683)	820
Increase in deferred revenue	5,129	1,789
Net cash provided by operating activities	<u>329,450</u>	<u>368,866</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 2,202,691	\$ 1,870,055
Interest-bearing deposits - restricted	30,486	34,670
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,631,321)</u>	<u>(658,741)</u>
Total cash and cash equivalents, beginning of period	<u>601,856</u>	<u>1,245,984</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	2,608,603	2,202,691
Interest-bearing deposits - restricted	34,033	30,486
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,674,607)</u>	<u>(1,631,321)</u>
Total cash and cash equivalents, end of period	<u>968,029</u>	<u>601,856</u>
Net increase (decrease)	<u>\$ 366,173</u>	<u>\$ (644,128)</u>

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Analysis of Revenues and Expenses
For the Year Ended June 30, 2009
With Comparative Amounts for the Year Ended June 30, 2008

	Totals		Gas	
	2009	2008	2009	2008
Operating revenues:				
Customers service charges	\$2,320,150	\$2,313,656	\$515,811	\$ 551,335
Permits, reconnections and penalties	58,064	59,775	11,613	12,175
Total operating revenues	<u>2,378,214</u>	<u>2,373,431</u>	<u>527,424</u>	<u>563,510</u>
Operating expenses:				
Salaries	340,856	282,525	95,294	113,791
Salaries - plant	32,016	66,524	-	-
Retirement - current	22,982	22,637	5,392	7,151
Meter reader expense	33,756	33,662	8,439	8,400
Disposal charges - plant	2,354	2,295	-	-
Sewerage inspection	3,275	3,350	-	-
Gas and water purchases	638,420	669,035	179,721	199,477
Garbage collection fees	569,279	515,045	-	-
Supplies and repairs	78,272	72,333	17,686	12,124
Supplies - plant	47,578	51,445	-	-
Repairs and maintenance - garage	27,968	24,549	9,323	8,183
Tower charge	3,237	3,814	1,079	1,257
Telephone - plant	1,788	6,152	-	-
Utilities	15,174	14,973	-	-
Utilities - plant	27,302	29,873	-	-
Professional fees	15,144	14,955	5,048	4,985
Insurance	36,333	31,325	8,259	7,121
Plant insurance	20,938	18,052	-	-
Insurance for employees	36,668	38,204	6,545	9,424
Office expense	13,494	12,585	4,484	4,153
Computer services	3,652	3,036	1,674	978
Payroll taxes	26,807	22,650	7,487	9,143
Payroll taxes - plant	2,516	5,301	-	-
Truck expenses	11,276	10,985	3,919	2,877
Truck expenses - plant	3,838	4,007	-	-
Training	625	2,101	162	1,126
Training - plant	77	158	-	-
Uniforms	2,382	1,389	779	656
Uniforms - plant	209	252	-	-
Equipment lease	11,457	11,457	3,819	3,819
Bad debts	11,825	7,195	4,730	2,878
Depreciation	221,052	212,009	31,520	30,899
Depreciation - plant	73,397	72,509	-	-
Miscellaneous	669	307	466	91
Lab fees - plant	5,405	5,405	-	-
Total operating expenses	<u>2,342,021</u>	<u>2,272,094</u>	<u>395,826</u>	<u>428,533</u>
Net operating income (loss)	<u>\$ 36,193</u>	<u>\$ 101,337</u>	<u>\$131,598</u>	<u>\$ 134,977</u>

Water		Sewerage		Garbage	
2009	2008	2009	2008	2009	2008
\$865,357	\$880,438	\$ 351,194	\$ 344,353	\$ 587,788	\$ 537,530
34,838	36,520	11,613	11,080	-	-
<u>900,195</u>	<u>916,958</u>	<u>362,807</u>	<u>355,433</u>	<u>587,788</u>	<u>\$ 537,530</u>
142,464	82,440	103,098	86,294	-	-
-	-	32,016	66,524	-	-
10,258	9,932	7,332	5,554	-	-
25,317	25,262	-	-	-	-
-	-	2,354	2,295	-	-
-	-	3,275	3,350	-	-
458,699	469,558	-	-	-	-
-	-	-	-	569,279	515,045
27,465	36,652	33,121	23,557	-	-
-	-	47,578	51,445	-	-
9,323	8,183	9,322	8,183	-	-
1,079	1,257	1,079	1,300	-	-
-	-	1,788	6,152	-	-
-	-	15,174	14,973	-	-
-	-	27,302	29,873	-	-
5,048	4,985	5,048	4,985	-	-
17,448	15,043	10,626	9,161	-	-
-	-	20,938	18,052	-	-
12,889	13,357	17,234	15,423	-	-
4,526	4,153	4,484	4,279	-	-
1,044	1,128	934	930	-	-
11,216	6,633	8,104	6,874	-	-
-	-	2,516	5,301	-	-
3,455	3,041	3,902	5,067	-	-
-	-	3,838	4,007	-	-
395	847	68	128	-	-
-	-	77	158	-	-
1,148	543	455	190	-	-
-	-	209	252	-	-
3,819	3,819	3,819	3,819	-	-
4,730	2,878	2,365	1,439	-	-
100,233	99,736	89,299	81,374	-	-
-	-	73,397	72,509	-	-
62	212	141	4	-	-
-	-	5,405	5,405	-	-
<u>840,618</u>	<u>789,659</u>	<u>536,298</u>	<u>538,857</u>	<u>569,279</u>	<u>515,045</u>
<u>\$ 59,577</u>	<u>\$127,299</u>	<u>\$(173,491)</u>	<u>\$(183,424)</u>	<u>\$ 18,509</u>	<u>22,485</u>

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AND
COMPLIANCE**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Hazel Myers, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Scott's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the control deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 09-1(IC) and 09-2(IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 09-3(C).

We also noted another matter concerning financial operations that we have reported to the management of the City in a separate letter dated September 25, 2009.

The City's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 25, 2009

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2009

Fiscal Year Finding Initially Occurred		Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Ref. No.						
<u>CURRENT YEAR (6/30/09)</u>						
<u>Internal Control:</u>						
09-1(IC)	Unknown	Due to the small number of employees, the City of Scott did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No response is considered necessary.	N/A	N/A
09-2(IC)	6/30/2007	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	N/A	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Donna Jumonville, City Clerk	N/A
<u>Compliance:</u>						
09-3(C)	6/30/2009	The City violated the provisions of the public bid law, LSA-RS Title 38:2212, when purchasing a velocity machine for the Utility Department. Management should properly advertise and publicly bid purchases subject to the state public bid law.	Yes	The City inadvertently omitted the procurement process when purchasing the velocity machine. In the future, management officials will strictly adhere to requirements included in state public bid law.		Immediately
<u>Management Letter:</u>						
09-4(ML)	Unknown	The City's sewer department operated at a loss for the year ended June 30, 2009. Consideration should be given to increasing rates and/or decreasing expenses in this department in order to recover all costs of providing sewerage services.	Partial	The sewer rates were increased effective July 1, 2006. Additionally, the City's management continually monitors the operating expenses in this department and makes reductions when necessary.	Donna Jumonville, City Clerk	6/30/2010
(continued)						

(continued)

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan (Continued) Year Ended June 30, 2009

Fiscal Year Finding Initially Occurred	Ref. No.	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (6/30/08)</u>						
<u>Internal Control:</u>						
	08-1(IC)	Unknown	N/A	No response is considered necessary.	N/A	N/A
	08-2(IC)	6/30/2007	N/A	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Donna Jumonville, City Clerk	N/A
<u>Management Letter:</u>						
	08-3(ML)	Unknown	Partial	The sewer rates were increased effective July 1, 2006. Additionally, the City's management continually monitors the operating expenses in this department and makes reductions when necessary.	Donna Jumonville, City Clerk	6/30/2007

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The Honorable Hazel Myers, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

During our audit of the basic financial statements of the City of Scott for the year ended June 30, 2009, we noted an area in which the efficiency and effectiveness of the operations of the City could be improved. This comment was also included in our management letter dated September 18, 2008 relative to our audit of the June 30, 2008 basic financial statements and is mentioned again for re-emphasis.

The City's sewer department operated at a loss for the year ended June 30, 2009. Consideration should be given to increasing rates and/or decreasing expenses in this department in order to recover all costs of providing sewerage services.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 25, 2009